

GERMANTOWN WATER SYSTEM, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2012

GERMANTOWN WATER SYSTEM, INC.

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JAMIESON, WISE & MARTIN
A Professional Accounting Corporation

601 Main Street P. O. Box 897
Minden, Louisiana 71058-0897
(318) 377-3171 Fax (318) 377-3177

MICHAEL W. WISE, CPA Email: mike@jwmcpa.biz
CARLOS E. MARTIN, CPA Email: carlos@jwmcpa.biz
KRISTINE H. COLE, CPA Email: kristine@jwmcpa.biz

JENNIFER SMITH, CPA Email: jennifer@jwmcpa.biz
KRISTIE K. MARTIN, CPA Email: kristie@jwmcpa.biz

WM. PEARCE JAMIESON, CPA (1991)

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Germantown Water System, Inc.
Minden, Louisiana

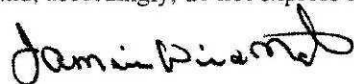
We have compiled the accompanying statement of financial position of Germantown Water System, Inc. (a not for profit organization) as of December 31, 2012 and the related statement of activities and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, changes in net assets, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The Summary Schedules of Prior Year Findings and Current Year Findings are presented for purposes of additional analysis and are not a required part of the financial statements. We have not audited or reviewed these schedules and, accordingly, do not express an opinion or any other form of assurance on them.



Minden, Louisiana
October 25, 2013

GERMANTOWN WATER SYSTEM, INC.
Statement of Financial Position
December 31, 2012

ASSETS

	<u>2012</u>
Current Assets:	
Cash in bank and petty cash	\$ 169,722
Accounts receivable	<u>22,062</u>
Total current assets	<u>191,784</u>
Property, Plant & Equipment:	
Land	1,177
Buildings	1,081
Water wells & pumps	147,471
Booster stations & storage tanks	273,517
Distribution systems	721,502
Other equipment	<u>120,275</u>
	1,265,023
Add: Work-in-progress - engineering fees	10,740
Less: Accumulated depreciation	<u>(730,728)</u>
Total property, plant & equipment	<u>545,035</u>
Other Assets:	
Reserved cash - reserve accounts	152,684
Bonds investments	-
Utility deposits	<u>200</u>
Total other assets	<u>152,884</u>
TOTAL ASSETS	<u>\$ 889,703</u>

GERMANTOWN WATER SYSTEM, INC.
Statement of Financial Position
December 31, 2012

LIABILITIES AND NET ASSETS

	<u>2012</u>
Current Liabilities:	
Accounts payable	\$ 9,989
Current portion of long-term debt	<u>16,878</u>
Total current liabilities	<u>26,867</u>
Long-term Liabilities:	
Note payable - Rural Development	<u>61,530</u>
	61,530
Less: Current portion of long-term debt	<u>(16,878)</u>
Total long-term liabilities	<u>44,652</u>
Other Liabilities:	
Meter deposits	<u>16,317</u>
Total other liabilities	<u>16,317</u>
Net Assets:	
Unrestricted	<u>801,867</u>
Total net assets	<u>801,867</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 889,703</u>

GERMANTOWN WATER SYSTEM, INC.
Statement of Activities
Year Ended December 31, 2012

Unrestricted Net Assets	<u>2012</u>
Revenue	
Water sales	\$ 222,575
Interest earned	320
Grant Income	28,000
Delinquent charges	5,572
Turn on and off fees	3,070
Other Income	<u>1,290</u>
Total Unrestricted Revenue	<u>260,827</u>
Expenses	
Program Services	
Utilities	24,648
Billing & related services	14,563
Uncollectible accounts	1,526
Meter readings	5,866
Operating & maintenance fees	37,595
Chemicals and supplies	19,799
Right-of-way lease costs	936
Repairs, maintenance & labor	<u>30,194</u>
Total program services	<u>135,127</u>
Supporting Services	
Accounting and legal	6,120
Depreciation	32,727
Insurance	5,359
Interest	3,515
Office supplies & postage	858
Taxes	1,039
Bank charges	1,115
All other	<u>1,532</u>
Total supporting services	<u>52,265</u>
Total expenses	<u>187,392</u>
Increase in Unrestricted Net Assets	<u>73,435</u>
Unrestricted Net assets, beginning of year	727,932
Increase in Memberships	<u>500</u>
Net assets, end of year	<u>\$ 801,867</u>

GERMANTOWN WATER SYSTEM, INC.
Statement of Cash Flows
Year Ended December 31, 2012

	<u>2012</u>
Cash flows from operating activities	
Change in net assets	\$ 73,435
Adjustments to reconcile change in net assets to net cash from operating activities:	
(Gain)loss on sale of assets	-
Depreciation	32,727
Accounts receivable	(1,186)
Current liabilities	5,815
Accounts payable	-
Payroll tax payable	-
Net cash provided/(used) by operating activities	<u>110,791</u>
Cash flows from investing activities	
Purchase of property, plant & equipment	(78,372)
Purchase of investments	-
Proceeds from sale of assets	-
Net cash provided/(used) by investing activities	<u>(78,372)</u>
Cash flows from financing activities	
Increase in memberships	500
Payments on Rural Development loans	(16,058)
Net cash provided/(used) by financing activities	<u>(15,558)</u>
Net increase in cash	16,861
Cash and cash equivalents at beginning of year	<u>305,545</u>
Cash and cash equivalents of end of year	<u>\$ 322,406</u>
Supplemental disclosure:	
Interest paid	<u>\$ 3,515</u>
CASH:	
Cash	169,722
Restricted fund	<u>152,684</u>
	<u>322,406</u>

Germantown Water System, Inc.
December 31, 2012

Schedule of Prior Year Findings

2011-1 – Financial Reporting. The Water System received state grant money and therefore was subject to reporting to the Legislative Auditor. The report was not sent in timely.

Management Response. – A CPA has been obtained to review the yearend financials to ensure compliance with reporting requirements.

Germantown Water System, Inc.
December 31, 2012

Schedule of Current Year Findings

2012-1 – Financial Reporting. The Water System received state grant money and therefore was subject to reporting to the Legislative Auditor. The report was not sent in timely.

Management Response. – A CPA has been obtained to review the yearend financials to ensure compliance with reporting requirements.